

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
Tel. 022 22163964/65/69 Fax 22163976
Email: mercindia@merc.gov.in
Website: www.mercindia.org.in / www. merc.gov.in**

Case No. 40 of 2017

Dated: 22 June, 2017

**CORAM: Shri Azeez M. Khan, Member
Shri. Deepak Lad, Member**

**In the matter of
Petition of Chamber of Marathwada Industries & Agriculture for non compliance of
post facto approval of FAC Orders of the MERC for the months from April 2016 to
October 2016.**

Chamber of Marathwada Industries & Agriculture (CMIA)Petitioner

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Respondent

Appearance:

For the Petitioner: Shri. Raghunath Kaparathi (Rep)

For the Respondent: Shri. Ashish Singh (Adv)

For Consumer Representative: Shri. Chhabiraj Rane (MCCIA)
Shri. Pratap Hogade (MCCIA)

Daily Order

1. Heard the representative of the Petitioner, advocate of the Respondent and Consumer Representatives.
2. CMIA stated that:
 - i. At the last hearing on 25 April, 2017, the Commission directed MSEDCL to file its Reply within 1 week. However, MSEDCL is yet to file its Reply. On 21 June, 2017 it has received MSEDCL's communication stating that it is planning to revise its Petition in Case No. 46 of 2017.

- ii. CMIA has already set out the issues relating to wrong data of energy sales, power purchase and distribution loss submitted by MSEDCL for FAC vetting pertaining to April to November, 2016.
- iii. While recalculating FAC for the period of April to October, 2016, the Commission by mistake has not considered the refund amount of Rs. 79.80 crore for the month of July, 2016. The Commission is requested to correct this mistake and direct MSEDCL to refund this amount to consumers along with holding cost.
- iv. CMIA has filed an additional written submission highlighting discrepancies in data used for computation of FAC for the months of November 2016 to February, 2017.
- v. In compliance of the Commission's Order, MSEDCL has started refunding FAC amount and consumers have received such refund in the bills of April and May, 2017.
- vi. FAC computation depends on three parameters, i.e. power purchase, energy sales and distribution loss. CMIA in its submission has demonstrated that MSEDCL is determining FAC by using wrong data of these parameters. The Commission is requested to verify these parameters before vetting of FAC submissions.

3. MSEDCL stated that:

- i. This Petition is interlinked with MSEDCL's Petition in Case No. 46 of 2017. MSEDCL is planning to modify its Petition in that Case. Further, it has started refunding the FAC amount to the consumers.
- ii. MSEDCL has already communicated its intent of modifying Petition in Case No. 46 of 2017 to the CMIA vide its letter dated 20 June, 2017. Hence, it is suggested that, once MSEDCL files its modified Petition in Case No. 46 of 2017, this Petition can be heard along with the modified Petition.
- iii. MSEDCL requested additional time for submitting its Reply considering the additional written submission filed by CMIA at the hearing.

4. MCCIA stated that:

- i. There is no dispute that FAC should be levied to consumers and it will vary as per variation in power purchase cost. However, it should be ensured that it is determined as per the formula specified in the Regulations and by using correct values of parameters in the formula.
- ii. Estimation of Agricultural sales has an impact on distribution loss and hence on determination of FAC. Thus, FAC should be determined with correct values of various parameters.

5. The Commission allows two weeks to MSEDCL for filing its Reply with copy to CMIA and all Institutional CRs. CMIA shall file its Rejoinder, if any, within a week thereafter. MCCIA shall also file its written submission in the matter within a week with a copy to all parties.

After filing of the above submissions, the Secretariat of the Commission will communicate the next date of hearing.

**Sd/-
(Deepak Lad)
Member**

**Sd/-
(Azeez M. Khan)
Member**